

Memorandum to the Council of Corporation of the Municipality of Temagami

Subject: Temagami North Water and Sewage System Capacity and Growth Potential

Memo No: 2025-M-068

Date: March 27, 2025

Attachment: Appendix A - Reducing Costs Saving Time Improving Operations

Appendix B - Cost Reduction Categories

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Recommendation

BE IT RESOLVED THAT the Council receives Memo 2025-M-068 as presented;
AND BE IT FURTHER RESOLVED THAT the Council accepts the Cost Optimization Partnership Proposal from Schooley Mitchell and authorizes the CAO to execute the necessary agreement, and to take all further actions required for its implementation.

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1. Executive Summary

The Municipality of Temagami has the opportunity to explore significant operational savings through a no-risk, contingency-based audit by partnering with Schooley Mitchell, North America's largest independent expense reduction consultancy. Municipalities similar to Temagami have experienced average savings of 28%, such as Temiskaming Shores (48% wireless savings) and Amherstburg (30% cellular savings). Key points include:

- Zero Risk: Payment only occurs if savings are realized and approved by Council.
- Timely Action: Delaying assessment could mean ongoing unnecessary expenditures.
- Proven Track Record: Municipal clients consistently redirect savings to community priorities.

2. Rationale for Partnership

- Demonstrated Results:
 - Schooley Mitchell has generated over \$1 billion in savings for more than 30,000 clients across North America.
- Relevant Case Studies:
 - Township of McKellar: Realized 28% annual savings on telecom services.
 - City of Temiskaming Shores: Achieved 48% savings on wireless costs.
 - Town of Amherstburg: Secured 30% cellular savings without switching vendors.
- Implications of Inaction:
 - Potential continued overspending in essential categories (SaaS, fuel, telecom).
 - Missed opportunities to reinvest in community-focused projects and infrastructure.

4. Scope of Services & Qualifications

Considering the outlined minimum thresholds, the Municipality of Temagami largely qualifies to benefit from Schooley Mitchell's services. The categories and requirements include:

Category	Minimum Spend/Requirement
Merchant Services	\$20,000/month (credit card processing)
Small Parcel Shipping	\$750/month (FedEx, UPS, DHL)
Software as a Service (SaaS)	\$500/month (Microsoft, Adobe, etc.)
Telecom Services	No minimum (cellular, VoIP, internet)
Fuel	\$10,000/month (fleet, propane)
Compressed Gases	\$750/month (propane, welding gases)
Facility Supplies	\$750/month (cleaning, office supplies)
Uniforms & Linens	\$750/month (rental, cleaning)
Waste Services	\$350/month (garbage/recycling)
GPS & Fleet Tracking	5+ vehicles/devices

4. Implementation Process Overview

4.1. Authorize Audit

- Execute a concise audit agreement. No financial obligation unless savings are approved.

4.2. Schooley Mitchell Analysis (6–8 Weeks)

- Comprehensive review of invoices, usage, and contracts.

4.3. Value Report & Recommendations

- Council reviews detailed findings and retains full decision-making authority.

4.4. Implementation of Approved Recommendations

- Schooley Mitchell negotiates improved rates; existing vendors typically retained (90% retention rate).

- Savings Structure:
 - Initial 30 months (vs. standard 36): Municipality retains 50% of realized savings.
 - After 30 months: Municipality retains 100% of savings indefinitely.

4.5. Ongoing Monitoring

- Regular quarterly audits ensure sustained savings and accountability.

5. Benefits:

- Risk-Free Audit: Zero upfront fees; payments only if savings are realized.
- Significant Savings Potential: Typical municipal savings average 28%.
- Operational Stability: Minimal vendor changes; 90% retention of existing vendors.
- Transparent Reporting: Quarterly audits document sustained savings.
- Fiscal Responsibility: Enhances stewardship of municipal resources.
- Operational Efficiency: Schooley Mitchell manages vendor negotiations and audits, minimizing staff workload.
- Council Autonomy: Recommendations approved solely at Council discretion.
- Community Impact: Savings can directly fund municipal strategic priorities.

6. Key Considerations:

- Vendor Negotiations Managed: Schooley Mitchell assumes responsibility for vendor interactions.
- Data Security Guaranteed: Confidentiality protocols secure sensitive data.
- Council Control Maintained: All implementation decisions require explicit Council approval.

7. Decision Summary

7.1. Choosing to Approve this Audit:

- Immediate potential savings without financial risk.
- Informed, data-driven decision-making.
- Consistent with successful practices adopted by peer municipalities.

7.2. Choosing to Delay or Decline:

- Potential ongoing overspending in critical expense areas.
- Lost opportunity for immediate financial reinvestment into municipal priorities.

8. Conclusion

By engaging Schooley Mitchell for a risk-free operational expense audit, the Municipality of Temagami can confidently optimize costs and redirect savings to essential community services and strategic priorities. This approach offers financial prudence, proven success, and full municipal control over implementation decisions.



Reducing Costs Saving Time Improving Operations

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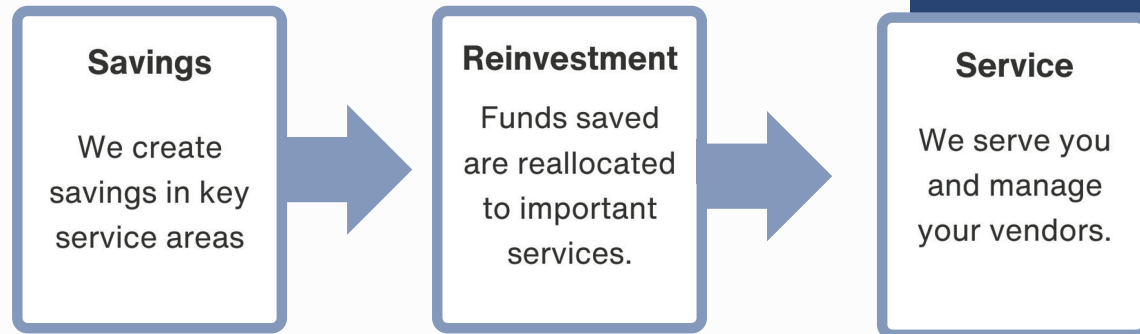


**Schooley Mitchell has been helping towns, cities
and municipalities across Ontario lower their
expenses for over 20 years.**

We provide risk-free audits that have resulted in significant savings and service improvements for municipalities in Ontario, and all over North America. We can help you lower costs while improving services.

We are *the* Cost Reduction Experts

Our services allow you to reallocate funds to the services that matter most.



Where we help:

- We consult to fourteen cost categories.
- Together, these expenses can represent 20-30% of your operational budget.
- We help by:
 - Decreasing operational costs and increasing quality of service.
 - Negotiating lower rates with your current providers.
 - Identifying and recovering billing errors.
 - Conducting ongoing monitoring to ensure services remain optimized.



BUSINESS PROBLEM:

- Most feel like they negotiated a favorable rate on their services.
- The only know what their organization pays.
- This information imbalance allows service providers to *overcharge*.



OUR SOLUTION:

$$\begin{array}{ccc} \text{Data} & + & \text{Expertise} \\ 30,000 \text{ clients across} & & 100+ \text{ experts using} \\ \text{North America.} & & \text{top analytics.} \\ & = & \end{array}$$

Marketplace Intelligence



Allows us to achieve savings and deliver ongoing value.

Where we help:

- Largest independent cost reduction firm in North America.
- Our service is available anywhere in Canada.
- \$1 billion in documented savings for 30,000+ clients.
- Not a vendor, reseller, broker or wholesaler; not vendor-paid in **any way** – no residuals, kickbacks, etc.
- Maintain relationships with vendors to enhance service and pricing
- 28% average savings
 - 9/10 times no vendor change occurs

Found Money

- Analysis completed entirely on contingency basis
- Fees are self-funded from the savings created for you
- Share in the savings 50/50 over 36 months – then you receive 100% of the savings
- Your share of savings directly improves bottom line results
- Results tracked on a quarterly basis
 - **You take no risk** – we either save you money and self-fund our fees or give you a no-cost validation that you are receiving the best overall value for your existing services

What Do Our Clients Say?

The City of Temiskaming Shores:

“The largest savings were found in the wireless category – over 48%. Schooley Mitchell saved us money that we would otherwise be overpaying to our service providers. I recommend that anyone interested in saving both time and money employ Schooley Mitchell to take a look at their telecom and merchant services.”

What Do Our Clients Say?

The District of Muskoka:

“This was a positive experience that saved the District money over the course of three years. I would recommend Schooley Mitchell to any government agency looking to reduce telecommunication expenses as they have a solid understanding of our unique requirements.”

What Do Our Clients Say?

The Town of Amherstburg:

“To their credit, Schooley Mitchell found us savings in multiple different areas. They migrated us to a new vendor with better government rates, and provided us with a quarterly credit on their invoice to off-set the cancellation fee’s from our old vendor. This saved us 30% on our cellular costs. They also found savings of 39% and over 50% on our local and long distance services respectively – both while remaining with our incumbent vendor.”

Municipal Government Client List:

- The District Municipality of Muskoka
- Municipality of Port Hope
- County of Simcoe
- Municipality of Tweed
- County of Lennox-Addington
- Municipality of Marmora & Lake
- County of Perth
- Township of Carlow Mayo
- City of Port Colborne
- Municipality of Bayham
- County of Oxford
- Municipality of Morris-Turnberry
- Town of Tillsonburg
- Municipality of Central Huron
- Township of South West Oxford
- Municipality of South Huron
- Township of Lake of Bays
- Municipality of Huron East
- Town of Gravenhurst
- Town of Goderich
- Township of South Algonquin
- Municipality of Pelee Island
- Loyalist Township
- Town of Amherstburg
- Township of Muskoka Lakes
- Municipality of North Perth
- Town of Bracebridge
- Town of Minto
- Town of Wasaga Beach
- Town of Hanover
- Town of Penetanguishene
- Town of Hearst
- Town of Midland
- Town of Spanish
- Township of Perry
- Township of Sables-Spanish Rivers
- Township of Strong
- Township of Plummer Additional
- Township of Ryerson
- Township of St. Joseph
- Township of McKellar
- Township of Tyendinaga
- North Algona Wilberforce Township (NAWT)
- Township of Joly
- Municipality of McDougall
- Township of Horton
- Village of Oil Springs
- Township of Machar
- Township of Stirling-Rawdon
- City of Temiskaming Shores

1

2

3

4

Getting Started

Estimate Timeline:
2 – 5 business days

- Simple two-page Service Agreement gets us started
- Signed LOA allows us access to recent billing history and equipment records

Our Analysis

Estimated Timeline:
6 – 8 weeks

- Baseline established
- Line-by-line, feature-by-feature analysis to uncover savings opportunities
- Billing errors identified
- We examine entire marketplace for best options

Value Report

Estimate Timeline:
1 week post analysis

- A detailed report with alternatives presented
- Client chooses which, if any, recommendations to implement
- Average savings is 27-28%
- 90% never have to change vendors

Our Fees

Estimate Timeline:
Monthly/Ongoing

- First invoice presented 30 days from implementation
- **If there are no savings there is no fee**
- We perform monthly audits over the life of the agreement to look for additional savings

Next Steps

- Signed Service Agreement
- Letters of Authorization
- Access to data
- Needs analysis call (as needed)
 - Reconvene in 6 to 8 weeks to review recommendations

Total commitment is under two hours for what could be a significant cost reduction and long-term time saver.

SCHOOLEY MITCHELL

Schooley Mitchell is the largest independent cost reduction consulting firm in North America, serving clients coast-to-coast in the United States and Canada. On average, we reduce essential business service expenses by 28%, with our only cost being a portion of the savings we deliver.









WE SPECIALIZE IN:

- Ongoing optimization of business services.
- Billing error identification and recovery.
- Project management, needs analysis, technology recommendations.
- Assisting with hardware upgrades and installs, office relocations, and network integration.

We will save you time, increase profits, and produce efficiency gains for your business.

Our expert advice gives you the peace of mind of knowing your services are being monitored on an ongoing basis, allowing you to focus on what matters most: **growing your business.**

Our Cost Reduction Categories Explained:

	Wireless, Wireline, UCaaS	10 or more cell phones, Hotspots, Handheld Devices, Multiple Communication Platforms.
Telecom		
	Software as a Service	Employs more than 10 people and utilizes Microsoft Office, Adobe or Google Workspace.
SaaS		
	Electronic Logging Devices (Fleet Tracking)	Delivery Vehicles, Long-Haul Trucking, Moving Vans, Public Transportation, Taxis.
ELD		
	Gas, Propane, Fuel Tanks, Oxygen Tanks	Fleet Vehicles, Long-Haul Trucking, Manufacturers, Hospitals, Construction.
Fuel		
	Hazardous, Industrial, Medical, Residential	Construction Sites, Hospitals/Medical Facilities, Automotive, Manufacturers, Restoration Sites.
Waste		
	Credit Card Processing and Cash Discounting	Restaurants, Retailers, Automotive, eCommerce, Trades.
Merchant Services		
	Small Package Shipping (under 150 lbs.)	Utilizes UPS, FedEx, or DHL. Retailers, eCommerce, Law Offices, Title Companies, Construction.
SPS		
	Less Than Truckload (Under 15,000 lbs.)	Medical, Pharmaceutical, eCommerce, Retail, Manufacturing, Appliance, Trades.
LTL		
	Linens, Tablecloths, Bedding, Towels, Floor Mats, Uniform Rental/Cleaning/Repair	Car Dealerships, Manufacturing, Restaurants, Event Centers, Hospitals, Hotels, Schools, Franchises.
Uniforms and Linens		
	Cleaning, Bathroom, Office, Coffee, Water Supplies	Office Buildings, Car Dealerships, Restaurants, Hospitals, Hotels, Schools.
Facility Supplies		
	Electronic Signature	Professional Services (Sales, Accounting, Legal), Realtors, Property Management, Healthcare, Schools, Construction, Title Companies.
eSignature		
	Compressed Gases	Welding Gases, Manufacturing Gases, Restaurants, Hospitals, Pharma, Construction/Trades, Agriculture
Compressed Gases		